

The Legal Framework and the Defence System

National Legislation

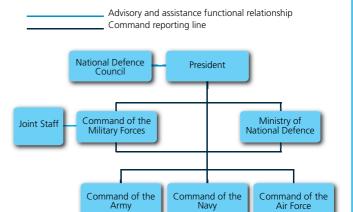
Systems and Concepts

- National Defence and Internal Security Act (N° 1.337 1999/04/14).
- Act which establishes the Border Security Zone (N° 2.532 2005/02/17. Last amendment: Law N° 2.647 2005/08/18).

Military Organization

- Obligatory Military Service Act (N° 569 1975/12/24. Last amendment: Law N° 3.360 2007/11/02).
- Organic Act of Military Courts (N° 840 1980/12/19).
- Military Penal Code (Act N° 843 1980/12/19).
- Code of Military Penal Procedures in War and Peace Times (Act N° 844
- 1980/12/19).
- General Organization of the National Armed Forces Act (N° 74 1991/11/20. Last amendment: N° 4.067 2010/11/08).
- Act of the Military Personnel Statute (N° 1.115 1997/08/27. Last amendment: Law N° 2.879 2006/04/06).
- Firearms, Ammunition and Explosives Act (N° 1.910 2002/06/19).
- Act on the Right to Conscientious Objection (N° 4.013 2010/06/17).*

Source: Compilation based on the legislation above mentioned.

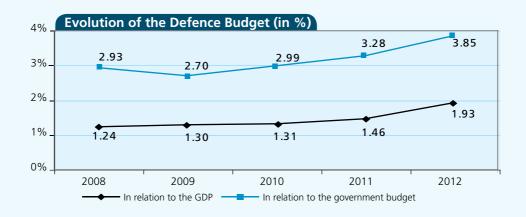


The President's advisory and consultative body is the National Defence Council, composed of the Ministers of Defence, Foreign Affairs and Interior, the highest-ranking General Officer, the Chairman of the Joint Chiefs of Staff, the official in charge of the State Intelligence Agency and its Permanent Secretary. The Ministry of Defence performs the administrative functions of the Armed Forces. The Commander of the Armed Forces holds the effective command of the Armed Forces as delegated by the President. He has the Joint Staff as the planning, advisory and coordinating body. The Congress holds the powers granted by the Constitution and permanently monitors defence related issues through the specific committees in both Houses.

Source: Compilation based on the Political Constitution, *Ley de defensa nacional y de seguridad interna* (N° 1.337 - 1999/04/14), and *Ley de organización general de las Fuerzas Armadas de la Nación* (Act N° 216 – 1993/06/16. Last Amendment: Act N° 4,067 - 2010/11/08).

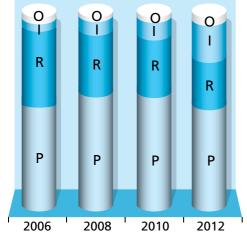
The Budget

Year	Defence Budget (in US\$)	Government Budget (in US\$)	GDP (in US\$)
2008	149,580,691	5,097,997,863	12,076,000,000
2009	176,769,687	6,546,922,124	13,611,000,000
2010	227,582,002	7,611,749,604	17,311,000,000
2011	325,182,128	9,921,451,169	22,340,000,000
2012	430,850,307	11,200,038,518	22,363,000,000



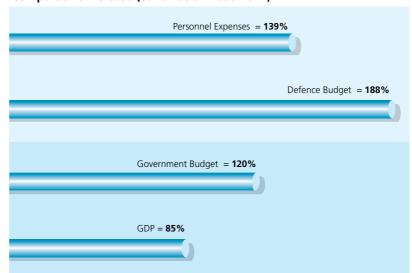
^{*}A claim for unconstitutionality is pending resolution in court.

Defence Budget Breakdown



P: Salaries and other benefits
R: Retirement and pension funds / I: Investment
O: Other expenses

Comparative Increase (% variation 2008-2012)

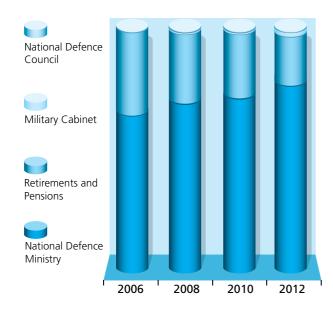


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Entities	Personnel Services	Non-personnel Services	Materials and Supplies	Others*	TOTAL
National Defence Ministry					
General Management/Administration	17,106,440,476	8,199,920,477	2,409,940,881	2,562,042,617	30,278,344,451
Command in Chief	64,887,707,440	21,665,130,522	14,112,888,065	69,451,353,075	170,117,079,102
Land Forces	559,021,428,511	8,488,089,287	75,170,877,692	109,044,870,077	751,725,265,567
Air Force	109,311,146,436	8,974,770,776	21,339,064,392	139,566,295,069	279,191,276,673
Navy	149,653,737,257	5,130,633,496	15,874,931,761	62,688,571,619	233,347,874,133
Presidency					
National Defence Council	988,236,467	162,362,097	51,157,000	0	1,201,755,564
Military Cabinet	12,965,150,528	634,110,550	2,911,420,305	5,121,325,600	21,632,006,983
Treasury Ministry					
Retirements and Pensions of the Armed Force	0	0	0	404,999,999,352	404,999,999,352
TOTAL	913,933,847,115	53,255,017,205	131,870,280,096	793,434,457,409	1,892,493,601,825

^{*} Includes physical investment, inventories, financial investment and other expenses.

Composition of the Defence Budget



60 million dollars were invested in 2011 in refurbishing infrastructure and modernizing light weaponry.

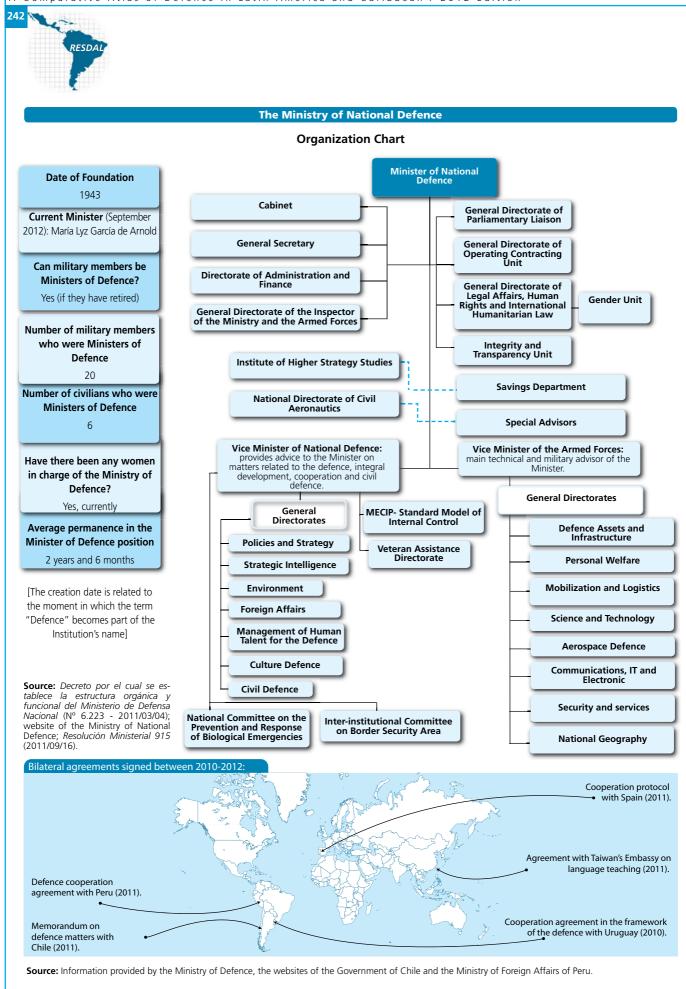
Source: Compilation based on *Ley de presupuesto general de la Nación para el ejercicio fiscal 2006, 2007, 2008, 2009, 2010, 2011 and 2012.* The State Budget passed by the Congress by means of the above mentioned Act is considered herein. The concept of investment is that expressed in "Physical investment". GDP: Projection of the World Economic Outlook Database, IMF, of carb here taken for compare.

GDP: Projection of the World Economic Outlook Database, IMF, of each year under review. This source has been taken for comparative purposes. Each country prepares the budget based on its own GDP estimation.

The dollar value considered corresponds to the exchange rate determined by the World Economic Outlook Database, IMF, for each year under consideration. As of June, the 2012 exchange rate average is 4,425.87 Guaranies, based on the data provided by the Central Bank of Paraguay. For further calculations, figures are provided in local currency.

Expressions in Bold Type (Table) make reference to the various de-

Expressions in Bold Type (Table) make reference to the various defence budget items, which can be found in a sector-based or institutional classification of the Budget Act.



Political Definitions

Policy Guidelines

Their purpose is to provide an effective prevention and response tool to the Republic of Paraguay to ensure the integral and permanent security of the national interests.

Programmes and Objectives for the Sector

Fluvial Defence and Environmental Protection

- Ensure the sovereignty and integrity of river and maritime interests.
- Defend democracy and the legitimate authorities.
- Maintain the Paraguayan Navy in operational conditions.
- Recruit and train citizens called up to serve the compulsory military service.
- Cooperate in civil defence, environmental protection, and internal order control.
- Protect the fluvial borders and naval areas' inviolability.
- Conduct independent strategic actions and service-specific, joint and combined operations.
- Cooperate in the fight against drug trafficking.

Air Force Organization, Training and Equipment

- Recover unserviceable aeronautical material so as to strengthen the number of operational aircraft.
- Adapt the training equipment and update course curriculum structure.
- Improve the buildings' infrastructure of bases and facilities, and increase compliance with environmental preservation requirements under the Air Force area of responsibility.

Defence of Territorial Integrity

- Cooperate in the protection of the country's territorial integrity and defend the country's legitimate authorities.
- Exert control and develop policies for the Paraguayan Army's military operations.
- Artillery fire support and communications support to military operations.
- Train and instruct officers and NCOs for special operations.
- Cooperate with the Civil Defence Authority in case of public disaster.
- Health care and ambulatory service for the civilian and military population using the Army hospital.

Localization and Control of Border Security Areas

- Establish a border security line within 50 km. parallel to the country's borders.

National Prevention and Biological Emergency Response Commission

- Design actions and implement measures for the prevention and execution of biological emergency response plans.
- Prevent and respond, in an adequate and timely manner, to emergencies caused by biological, chemical, or radioactive agents, or other mass destruction weapons, caused by accident or terrorist attack

Assistance to Chaco's War Veterans

Training and Learning

Intelligence and strategic policy.

- Formulate national defence policies and strategies.
- Comply with international security and defence agreements and commitments assumed by the country.
- Study and formulate an environmental defence policy.
- Update and tailor the military policy.

Source: Política de Defensa Nacional (1999) and Ley de presupuesto general de la Nación para el ejercicio fiscal 2012.

Related actions 2011-2012

Paraguay

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1999

- Implementation of the investment project for equipment, modernization and construction mainly of border Military Units.
- The Inter-institutional Committee on Border Security Areas (CIZOCEF) conducted works to establish the limits of the border security area and elaborate an inventory of the conditions of existing rural buildings in the area
- The Ministry of Defence provided assistance to the Veterans of Chaco War, including housing, food and health care to those quartered in the Cuartel de la Victoria.
- Elaboration and implementation of an administrative, financial and budget control plan for the various offices.
- Implementation of a collective health insurance to offer free health care to personnel.

Source: Compilation based on information provided in *Informe de Gestión* of the Ministry of National Defence 2011. *Principales logros promovidos por el Ministerio de Defensa Nacional desde el año 2008 hasta el 2011* (Main achievements promoted by the Ministry of National Defence from 2008 to 2011), General Directorate of Policy and Strategy.

Cooperation between the Ministry of Defence and the Ministry of Women: In 2011, the Cooperation Fra-

In 2011, the Cooperation Framework Agreement was signed with the Women Secretariat, aimed at institutionalizing the gender perspective into the policies and activities conducted by the Ministry of Defence.

In the framework of this agreement, the Ministry created a Gender Unit and the different Commands and Military Forces were encouraged to create these gender offices, effective as of August 2012.



General Mission

The mission of the Armed Forces is to safeguard the territorial integrity and to defend the legitimately established authorities.

(Constitution, Sec. 173)

To comply with its objectives, the Armed Forces of the Nation shall maintain the inviolability of land, fluvial and air space borders; organize, equip and train forces to face any type of aggression; organize, manage and administer reserves. They also cooperate in civil defence; and cooperate in restoring internal order when the President of the Republic deems it necessary based on an issued decree. (Ley de organización general de las Fuerzas Armadas de la Nación, Nº 74 - 1991/11/20. Last amendment: Act N° 216 - 1993/06/16, Sec. 7)

Command of the Military Forces It assists the Commander in Chief in the conduct of the Armed Forces. It coordinates the actions of the Staffs of the Army, the Navy and the Air Force, and the Logistics division, and performs special military operations.

Deployment of the Armed Forces

The Armed Forces

Specific Missions Army



The Army is a land force which performs strategic operations, plans, prepares and directs operations in its organic units and others under its command, to which it supports in carrying out specific missions.



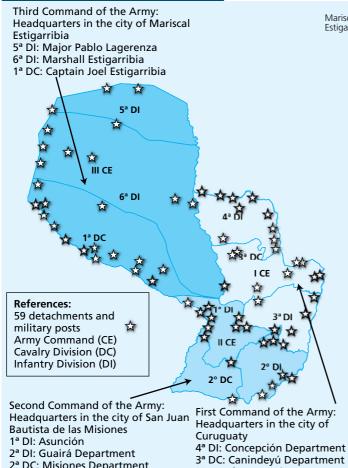
The Navy is the Service that has the responsibility to execute specific missions of a naval nature



The Air Force is responsible for the custody and defence of the national air space and for executing operations to comply with its mission.

nnel	Command of the Military Forces	Army	Navy	Air Force	Logistic Command
Military Personnel	Officers M:197 / W:15	Officers M:950 / W:90	Officers M:224 / W:51	Officers M:246 / W:47	Officers M:179 / W:99
	Non-comis- sioned Oficers M:539 / W:7	Non-comis- sioned Oficers M:2,406 / W:60	Non-comis- sioned Oficers M:1,174 / W:55	Non-comis- sioned Oficers M:952 / W:92	Non-comis- sioned Oficers M:737 / W:196
	Troops 139	Troops 1,047	Troops 309	Troops 185	Troops 155

Total Strenght 2012: 12,221



Deployment Mariscal Estigarribia Airport of the Air Force Δ 7 Air Bases 3 Airports Marine Corps Battalion Marine Corps Battalion 1, Rosario Asunción Airport Marine Corps Battalion 3. Asunción Ciudad del Este Airport

Deployment of the Navy

- Naval Areas : O



They protect and defend the coasts, ports and areas of river and lake interest for the country. They perform Coast Guard duties in their Area of Influence and establish Logistics Support Bases for future operations of the Force.

- Coast Guard Divisions (Prefecturas de Zonas)

They act as River Police, supervise port activities, and perform maritime security activities (search and rescue, navigation, vessel registry) and environmental protection tasks.

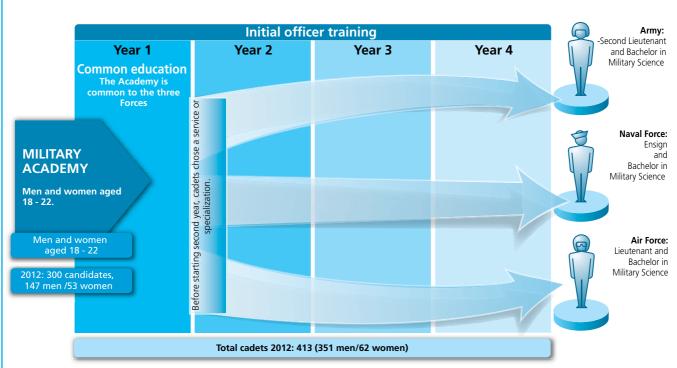
- Marine Corps Battalion 🔘



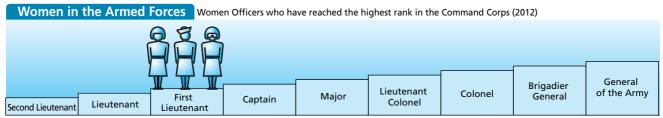
Source: Ley de organización general de las Fuerzas Armadas de la Nación (Nº 74 - 1991/11/20. Last amendment: Act Nº 216 - 1993/06/16) (missions) and information provided by the Ministry of National Defence (regular forces).

3ª DI: Alto Paraná Department

2ª DC: Misiones Department



Source: Compilation based on information provided by the Military Academy, the Ministry of Defence, the websites of the Army, Air Force and Navy of the Republic of Paraguay.



Note: These ranks correspond to the Army, as an example. The equivalent ranks for First Lieutenant is Lieutenant Senior Grade (Navy) and First Lieutenant (Air Force)

(Air Force).
The Command corps includes officers who have been educated at military academies from the beginning of their careers, different to those who develop a career in the civilian sphere and are then incorporated to the military.

6% (790) of the total Armed Forces are women.

Source: Information provided by the Ministry of Defence.

Military Service

All male citizens are required to perform military service for one year. Women may be called in the event of international war, to perform logistic and administrative activities, as well as to provide other services according to the requirements arising from the war. However, the National Constitution recognizes the objection based on conscience due to ethical or religious beliefs. People who assert their objection based on conscience shall provide services to the civil population by working in assistance centres.

Draftees: citizens who have the age required to be enlisted, who are listed and called to provide services. The following table shows the number of draftees assigned to each division of the Forces.

	1° Call 2012	2° Call 2012	Total
Army	868	334	1,202
Navy	247	90	337
Air Force	120	52	172
Ministry of Defence	15	7	22
Command of the Military Forces	75	50	125
Command in Chief	103	49	152
Logistics Command	114	34	148
Total	1,542	616	2,158

Source: Information provided by the Ministry of National Defence, *Ley de servicio militar obligatorio* (N° 569 - 1975/12/24. Last amendment: Act N° 3.360 - 2007/11/02).



Defence and National and International Community

Defence activities to support other sectors

Activities in which Defence is related to:

Health **Education and Culture** Environment Social Welfare

Agriculture

- Assistance to rural producers with personnel and vehicles (transport of crops and products).
- Support with materials, human resources, fuel and vehicles for the Ministry of Public Health and Social Welfare.
- Refurbisment of the Defensores del Chaco Geriatric Centre for disabled retired non-commissioned officers.

- Use of human resources, vehicles and infrastructure of the Armed Forces to combat dengue fever.
- Activity open to the community "Pueblo Sano": General medical assistance provided by the Air Force and Military Hospital health personnel.

- Armed Forces reforestation programme: donation of 25,000 plants cultivated by military personnel.
- Creation of the Military Environmental Council as a consultation body to study and coordinate the Armed Forces actions in defence of the environment.

Humanitarian Support

- Air Forces: provided support to the National Police during the "aero-medical evacuation" of injured people in the City of Curuguaty and Concepción Department, humanitarian aid air bridge to Central Chaco.
- Navy: provided assistance to victims of floods in the Paraguayan Chaco, working jointly with the National Emergency Secretariat and other national bodies, providing medical care, evacuation assistance and food and clothing support to people in the affected areas.

Fight against drug-trafficking

• Navy: in 2012 first quarter, personnel of the Navy and the Coast Guard of the East Area seized 130 kilograms of marijuana

Infrastructure

• Maintenance of rural roads (Engineering Command) and opening of new

Civil Defence Operation "Ñepytyvo y Jupigui 01" - April 2012

Personnel used in operations areas: 130 troops approx.

Aircraft:

- -4 airplanes, 4 helicopters,
- 1 radar.
- Crafts: -3 fast-boats.

Vehicles:

- -24 regular trucks, 2 4x4 trucks, 5 tactical vehicles, 2 light vehicles, 1 ambulance.
- Logistics:
- -14 field tents

Recovery Plan in the Western Region after severe floods affected around 13,650 people, in support of the National Emergency Secretariat.

Actions performed:

- 110 air operations (reconnaissance flights, air supply, medical evacuation)
- 828 evacuated persons
- 588 people transferred to shelters
- 9,578 food kits delivered
 Delivery of 187 tents, 97 blankets, 177 waterproof boots.
- Medical assistance (28 hospitalized persons)
- Logistical support

Permanent Secretariat of the National Commission for Prevention and Response to Biological Emergencies (CONAPREB). Its permanent head-quarters is located at the Ministry of National Defence, which acts as the permanent Chair and Secretary of the Commission.

National Plan for Biological Emergency Response (Plan RER) 2012. Its main objective is to develop an organized emergency response capacity, with coordinated and timely actions conducted by the authorities in case of emergencies or radiological incidents in peace times. The plan describes institutions' capacities and responsibilities as well as a mechanism for integrating activities. The Ministry of National Defence performs these actions in coordination with the following institutions:

The Armed Forces, the Ministry of Defence, the Ministry of Public Health and Welfare, the Ministry of the Interior, the Ministry of Foreign Affairs, the Ministry of Agriculture and Livestock, the Ministry of Public Works and Communications, the Ministry of Education and Culture, the National Anti-Drug Secretariat, the Environment Secretariat, the Telecommunications Secretariat, the National Commission of Atomic Energy, the Health Sciences Research Institute, the National Police, the Social Security Institute, the Volunteer Firefighting Corps, the National Electricity Administration, the Paraguayan Telecommunications Company, the Sanitary Service Company, the National Weather Service, the Association of Municipalities, the National Directorates of Civil Aeronautics, Transport, Medical Emergencies, Customs, and the National Administration of Ports and Navigation

Related activities in 2011:

March: First basic course on assistance and protection against the use of chemical weapons, sponsored by the Organization for the Prohibition of Chemical Weapons (OPCW) in the facilities of the Joint Chief of Staff of the Armed Forces

April: Advanced course on assistance and protection against the use of chemical weapons.

October: Advanced training course on the management of hazardous materials, conducted in the Alto Paraná Department.

Source: Informe de Gestión del Ministerio de Defensa (2011) and websites of the Ministry of Defence, the Air Forces and the Navy.

Defence and National and International Community

Participation in Peace Operations					
	Military Component				
Current Missions	M	EM	MC		
	Men	Women	Men	Women	
MINURSO (Western Sahara)	4	-	-	-	
MINUSTAH (Haiti)	-	-	162	-	
MONUSCO (Dem. Rep. Of the Congo)	15	-	-	-	
UNFICYP (Cyprus)	-	-	14	-	
UNMIL (Liberia)	2	-	1	-	
UNISFA (Abyei)	1	-	-	-	
UNMISS (South Sudan)	3	-	-	-	
UNOCI (Ivory Coast)	7	-	2	-	
UNSMIS (Svria)*	6	-	-	-	

MEM: Military experts on mission, including military observers, judge advocates and military liaison officers, among others - MC: Military Contingent.

*According to a resolution adopted by the Security Council, UNSMIS came to an end on 19 August 2012 since the level of violence in the country prevented the mission from executing its mandate.

Paraguay contributes 217 military troops to the UN peacekeeping operations, which represents 3.04% of the total Latin American contribution.

Since 2004, Paraguay has been involved in MINUSTAH as part of the Brazilian contingent. However, since 2011, the engineer company has been deployed under the Paraguayan flag. The company that will deploy by the end of 2012 will include a female member for the first time ever. The commander and personnel to be deployed receive prior special training at US National Guard facilities.

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Paraguay created the Joint Peacekeeping Operations Centre (CECOPAZ) in 2001, where 210 military troops were trained in 2011, and 90 military troops in 2012. In those years, 30 civilians were also trained in courses on peace mission correspondents.



Source: Statistics on the contribution of military and police personnel to United Nations operations, UNDPKO, July 2012.

Analysis:

Political Change and Defence Challenges in Paraguay

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On June 22, 2012 President Fernando Lugo was ousted by Congress in a speedy impeachment. Vice-president Federico Franco took over as president, in accordance with the line of succession. It was a political coup, deemed by many as ideologically driven, which was led by Parliament according to a constitutional mechanism used for the first time in the entire history of Paraguay.

While different political times have passed, since the fall of the military dictatorship of Alfredo Stroessner in 1989, no real modernization of the armed forces and the defence policy has taken place.

Following the replacement of the Colorado Party in 2008, Fernando Lugo talked about a true professionalization of the armed forces "without any (political) colour" and of a modern defence policy. However, the opposition parties accused him of forcing a left-wing ideology upon the military. One of the claims in the accusation made for his impeachment was precisely a case in which a political rally was organized by left-wing movements at a military unit.

The armed forces –under the premise of compliance with constitutional rule—did not become publicly involved and accepted the decision passed by Congress. Subsequent events after the new president took over include:

- María Liz García de Arnold, a member of the party led by Lino Oviedo, was appointed as Minister, and became the first woman taking such position.
- The membership of the Defence Council was renewed, and the council announced a new draft White Paper with the intention of approving the paper before the end of the presidential mandate in August 2013. Some of those responsible for the draft document have stated that the vision will be based on "enabling the exercise of national sovereignty", "keeping the national identity and the development of productive activities," in the domes-

tic arena, and "the peaceful vocation", "non interference" and "self-determination", in the international context. A series of debates have started on the subject.

• On August 23, the National Congress approved the Law of Professional Soldiers, with the purpose of recruiting 1,400 soldiers annually as "temporary" personnel. According to its promoters, the main goal is to populate the military units in view of the lack of personnel, mainly in detachments located along the border areas and the Paraguayan Chaco region. A professional soldier can be any citizen who has completed the mandatory military service, who voluntary signs a service provision contract with the Armed Forces to become a permanent troop

The Ministry of Defence has stated that its priority is to professionalize the armed forces and prepare a White Book. The key questions will thus relate to the future vision of the country, the course to be taken by Paraguay with a government having little acceptance in the region, as well as the military policy to be implemented as of 2013.

Paraguay –a country with a political process interrupted by the removal of Lugo from office—has still to debate, in addition to the key issue of designing a modern defence policy, other matters such as the arms race in the region, the border dispute with Bolivia and the resulting strategy to follow, and the border control to combat smuggling, drug-trafficking and the trafficking of weapons, especially in the notorious Tri-border Area (TBA).

The new Government, only made up of the Authentic Radical Liberal Party (PLRA in Spanish) as a result of the failed Alliance led by Lugo, will need to fight against time to address such issues, since it will need to hand over power in August 2013 if not elected to continue in office